Service Plan

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Letter from the Chair

The Honourable Joyce Murray
Minister of Management Services
Government of British Columbia

Dear Minister,

On behalf of the Board of Directors and the employees of BC Buildings Corporation (BCBC), I am pleased to present the Corporation's 2005-2008 Service Plan.

BCBC is mandated by the *British Columbia Buildings Corporation Act* to be a shared services provider for real estate and accommodation to the BC public sector. The Corporation provides real estate and accommodation infrastructure services to provincial government ministries, public bodies and agents. In addition, BCBC provides asset stewardship of the real estate portfolio that it manages on behalf of the Province.

Over the past three years, BCBC has met or exceeded the targets set as part of its 2001/02 Core Services Review commitments.

Specifically, BCBC:

- Completed 1100 projects as part of the Government Accommodation Restructuring Initiative (GARI) resulting in $63 million in annualized building occupancy cost savings for ministry customers due to the reduction of more than three million square feet.
- Increased the use of the private sector. BCBC successfully transitioned its delivery of property management services ($100M+annually) to Workplace Solutions Inc. (WSI) a British Columbia subsidiary of Brookfield LePage Johnson Controls. This contract was completed on time, under budget and without staff/labour issues and will result in $35 to $40 million in cost savings to government over five years.
- Accelerated disposition of properties which is expected to result in the sale of over 300 properties since 2001/02 and a 24% reduction (3.3 million square feet) in the owned portfolio. Net debt was reduced by $274 million, substantially through the use of proceeds from the sale of properties.
- Experienced continued growth in services provided to the broader public sector, particularly to health authorities. Multi-year agreements were signed over the past two years with the Fraser and Interior Health Authorities and agreements to provide advisory and other real estate services related to Mental Health and Home and Community Care programs were signed with five Health Authorities.
- Continued to strengthen the Corporation's shared services model through: increased choice for mandated customers; organizational restructuring to segregate governance and service delivery functions; implementation of formalized service level agreements; enhancements of customer-service focus; definition of costing and pricing of services; and, internal process revision and streamlining to increase flexibility, responsiveness, and integration.

BCBC is a substantially different organization than it was in 2002. Its transition from the role of landlord and service provider to that of strategic advisor and manager of service delivery is well underway, but is not complete. Changes made are having a significant impact on the way that real property and accommodation services are sourced, managed and delivered. Planned changes for the future will further improve the organization's efficiency and effectiveness.

The Corporation is currently engaged in a follow-up Core Services Review by government and will be receiving further recommendations by March 2005. Once the 2005 Core Services Review recommendations are known, it is the Corporation's intent to adjust its 2005-08 Service Plan if required. Nevertheless, the Corporation is committed to maintaining its focussed and rapid pace of change.

BCBC's 2005-08 Service Plan builds on the Corporation's strengths and addresses challenges. The Plan is focused on building on the Corporation's customer centric business model. By comprehensively understanding our customers' needs and by maximizing our relationships with private and public sector partners, we will continue to enhance value-added services that directly contribute to our customers' success.

To increase value to the shareholder the Corporation will continue to centre on achievement of targeted financial results, effective stewardship of BCBC's portfolio, contribution to government's climate change plan and management of environmental risks/liabilities.

Integral to completing BCBC's transformation is the continued streamlining and realignment of business processes and systems and the shift to a performance based culture whereby individual targets are aligned with corporate goals, and performance is evaluated against achievement of these goals.

This Service Plan has been prepared under my direction in accordance with the *Budget Transparency and Accountability Act*, the related *Service Plan Guidelines for Government Organizations* provided by the Crown Agencies Secretariat, the *Guide to Operations*, provided by the Legislative Assembly of BC's Select Standing Committee on Crown Corporations and the Shareholder's Letter of Expectations between the Corporation and government. This plan is consistent with government's strategic priorities and overall Strategic Plan.

I am accountable for the contents of the plan, including: the approval of performance measures and targets; ensuring BCBC achieves specific objectives identified in the plan; and measuring and reporting actual performance. All significant assumptions, policy decisions, and identified risks, as of January 2005, have been considered in preparing this plan.

The Board, Management and I are proud of our many and significant accomplishments to date. While a great deal has been accomplished, further work still remains and we are looking forward to delivering on the commitments set out in this 2005-2008 Service Plan.

Lucie Gosselin
Chair

Corporate Mandate/Governance

The British Columbia Buildings Corporation (BCBC) was established in 1977 as a Crown corporation and agent of the government. It was the provincial government's first shared services organization, providing accommodation and real estate services, initially only to the provincial government. In 1997 BCBC's shared services mandate was expanded by government to facilitate its doing business with the broader public sector, in order to provide greater opportunities for increased accountability and efficiencies in the planning, provision and maintenance of accommodation and related services.

BCBC's mandate is confirmed, as established, under Section 4 (1) of the *British Columbia Buildings Corporation Act*, and amended under Section 2 of the *Miscellaneous Statutes Amendment Act (No.2), 1997 to be as follows:*

> "The purpose of the Corporation is to serve as an agency of the government in providing land and buildings for accommodation of ministries of government, public bodies and agents, corporate or otherwise, of the government by lease or license or any other arrangement for the use and occupation of the accommodation."

This mandate includes the following responsibilities:

- to provide cost-effective real estate and accommodation services to the public sector (a shared service provider function);
- to contribute to its customers' success by having a thorough understanding of its customers' needs and identifying related best value accommodation solutions; and,
- to fulfill an obligation to the shareholder to provide innovative stewardship of real property infrastructure.

BCBC's governance relationships and accountabilities to its shareholder are contained in the following legislation: the *British Columbia Buildings Corporation Act*, the *Budget Transparency and Accountability Act*, the *Financial Information Act and* the *Financial Administration Act*. BCBC is held accountable to its shareholder (the Government and the Legislative Assembly) through its Minister Responsible, the Honourable Joyce Murray. A maximum nine-member Board of independent Directors, appointed by the Lieutenant Governor in Council, guides the Corporation in fulfilling its mandate. BCBC's corporate governance framework, jointly developed by the BCBC Board and Management, further clarifies the lines of responsibility and accountability of the Board, its Committees (Audit and Human Resources) and Senior Management, based on best practices of corporate governance. In addition, a Shareholder's Letter of Expectations sets out the shared understanding between the shareholder and the Corporation on key governance issues, corporate mandate and core services, public policy issues, strategic priorities and performance expectations.

BCBC is structured similarly to a private sector enterprise and uses private sector management and accounting methods. The Corporation ensures accountability by charging rents and professional service fees according to market principles and ensures that underlying policies are market-based. The application of market discipline provides for the efficient and effective utilization of provincial assets.

Core Services

BCBC is both a professional services and supply management organization – the fundamental elements of a shared services organization. BCBC is organized into two lines of business: (1) management of the planning and delivery of real estate and accommodation infrastructure services (through the Customer Services Group), and, (2) asset stewardship on behalf of the shareholder (through the Portfolio Management Group).

The services provided by BCBC are grouped into the following three categories:

1. Strategic Advisory Services
   - Strategic portfolio planning including capital planning, financing/procurement strategies and functional facility/inventory assessments
   - Strategic asset management including strategic asset planning and the provision of tools
   - Strategic accommodation planning
   - Real estate policy and performance measurement
   - Sustainability and environment management services
2. Workplace and Real Estate Solutions
   - Workplace planning and design
   - Workplace acquisition and disposal
   - Workplace provisioning
3. Workplace Management
   - Property management and maintenance
   - Lease management

BCBC's Services Catalogue provides descriptions for each service provided by BCBC (available at www.bcbc.bc.ca/Corporate). Services are provided from the corporate Head Office in Victoria, as well as through regional centers (in Victoria, Vancouver and Kelowna) and field offices (in Nanaimo, Kamloops and Prince George).

With the exception of professional strategic advisory services that are provided primarily by in-house professionals, most of the services that BCBC provides are delivered through contracts with private sector suppliers/consultants. BCBC has a long history of successfully managing the performance of supplier contracts. BCBC has strengthened the supply management side of its operations by entering into a significant five-year performance-based service contract with Brookfield LePage Johnson Controls Workplace Solutions Inc. (WSI) to provide property management services for the portfolio of leased, owned and maintained properties that BCBC manages across the province. All property management service contracts are now managed by WSI (effective April 1, 2004). WSI has established a head office in Victoria, regional offices in Vancouver, Victoria, Kamloops and Prince George, and an Operations Centre in Kamloops.

Scope of Operations

The Corporation is one of the largest accommodation providers in the Province. It manages, on behalf of the Province, a diverse real estate portfolio of leased, owned and maintained properties that extends throughout the province. At December 31, 2004 the portfolio included 22 million square feet (2 million square metres) of space. It includes a wide variety of types of properties/facilities, ranging from the Vancouver Law Courts and Robson Square Complex to heritage buildings dating from the 1860s, and includes: office buildings, residential institutions, courthouses, forestry complexes, ambulance stations, health units, correctional centres and highways facilities.

Approximately 75% of BCBC revenues come from services provided to provincial government ministry customers. Ministry customers are provided the full range of real estate and accommodation services, with terms/standards specified in Accommodation Agreement and individual service level agreements. The largest ministry customers are the ministries of Attorney General, Public Safety & Solicitor General, Children & Family Development, Forests, Human Resources, Transportation, Health Services and Health Planning. The remaining 25% of revenues come from services provided to non-ministry customers, as set out in agreements or memoranda of understanding (MOAs/MOUs). The largest non-ministry customers are regional health organizations (health authorities, BC Mental Health Society, Forensic Psychiatric Services, BC Centre for Disease Control), Crown corporations (Royal BC Museum, ICBC, BC Pension Corporation), federal government (Public Works & Government Services Canada, Royal Canadian Mounted Police, Department of National Defense), highways contractors, schools, universities & colleges, regional districts & municipalities.

Vision

Our vision describes a compelling future state that we believe is both ambitious and attainable.

BCBC will be vital to its customers' success and to the Shareholder by being their preferred strategic advisor and service provider of real estate and accommodation infrastructure solutions.

Mission

Our mission describes our business purpose: who we are and whom we serve; the business we are in; the value we bring to customers; and how we do this.

As the shared services provider to public sector organizations for real estate and accommodation infrastructure solutions, BCBC provides its customers choice and earns their business. Specifically, BCBC:

- Provides strategic advisory services;
- Facilitates the implementation of flexible, affordable and healthy workplace solutions; and,
- Provides innovative stewardship of its assets and resources.

BCBC will accomplish this mission by utilizing its expertise in real estate and accommodation planning; its distinctive knowledge of its customers, their programs, government and public policy processes; and, by collaborating with private and public sector business partners.

Values

These values represent our corporate and individual behaviours and define how we will treat our customers, suppliers and each other.

DEDICATION TO OUR CUSTOMERS

We work to know our customers and treat them as partners.

We are flexible, innovative and proactive.

We make and keep our commitments – we get the job done!

INTEGRITY

We treat all individuals with fairness, dignity and respect.

We are open and honest.

TEAMWORK

We support one another to achieve corporate goals.

We support and develop our people to achieve our corporate and individual potential.

ACCOUNTABILITY

We work with our customers to bring value to our shareholder and the taxpayer.

We measure and monitor our performance to established targets.

We are socially and environmentally responsible in our business operations.

Key Challenges Facing BCBC

An environmental scan was undertaken to identify and assess internal and external environmental factors and risks, which might impact the Corporation's ability to achieve its mission, vision and goals, and deliver on the action items identified in BCBC's Shareholder's Letter of Expectations.[1]

As part of the environmental scan, trends and their impacts on BCBC were considered for each of the following areas: Socio-Economic/Economy; Government Goals/Governance/Shareholder; Public Opinion, Customer Needs; Supply Management, BCBC's relationship with Workplace Solutions Inc (WSI); Industry Trends (leasing and real estate markets); Human Resources; Business Processes/Information Systems; Portfolio Stewardship; and Environmental Stewardship. The following challenges derived from this assessment articulate the key strategic issues/risks to be addressed by our strategies and supported by the accompanying budget in our 2005-2008 Service Plan.

Governance/Shareholder

As customer needs and governance models in the public sector evolve, BCBC's governance, ownership and pricing models will be challenged to demonstrate that they continue to be the optimal vehicle for managing and delivering government's real estate and accommodation requirements. BCBC must: continue to demonstrate that its shared services model supports government's principles of sound fiscal management, accountability and customer service; implement the recommendations emanating from the 2004/05 Corporate Core Services Mandate Review; and, successfully deliver on action items set out in its Shareholder's Letter of Expectations.

Socio-economic and Economic Conditions

Growth has accelerated in most major economies, with the US, China and Japan each showing signs of vibrant and sustained growth. Canadian and BC growth is also on the upswing, with BC's economy forecast to grow at a higher rate than the Canadian rate over the next two years. This is expected to result in increases in real incomes/profits, employment growth and increased investment spending (particularly in the resource industries). The improvement in BC's economic performance relative to the rest of Canada is expected to result in increased net inter-provincial migration. BCBC faces potential impacts/risks associated with:

- ***Inflation rates,*** forecast to remain low relative to historical levels, with a moderate increase in 2005. This is expected to continue to have a stabilizing effect on BCBC's operating costs and the price of BCBC services to customers.
- ***Interest rates***, expected to gradually increase. This will negatively impact land rent for Modified Investment properties and interest rate sensitive services (e.g. amortization of one-time costs), with customer impacts commencing in 2006/07. There will be a modest reduction in BCBC's interest costs (due to increased investment earnings), but no impact to its long-term debt costs.
- ***Construction costs***, expected to increase (reflecting increases in materials costs and growing labour shortages) through 2010. This represents a risk to BCBC on fixed price quote projects, and to customers on cost plus projects, increasing the importance of properly scoping projects, with adequate provision for contingencies. Potential trades shortages present a challenge for BCBC to maintain good response times to customer requests while effectively managing costs.

[1] The 2005/06 Shareholder Letter of Expectations is available at www.bcbc.bc.ca/Corporate. This Letter, signed by the Minister Responsible for BCBC on behalf of the Shareholder and by the Board Chair on behalf of the Corporation, confirms the shared understanding between the Shareholder and the Corporation on key governance issues, corporate mandate and core services, public policy issues, strategic priorities and performance expectations. It is reviewed and updated annually early in the planning process, and helps inform the development of the Service Plan.

- ***Energy costs***, expected to remain high, reflecting continued high, volatile natural gas and oil prices. Energy prices continue to be a significant factor contributing to inflation and to increased construction costs. Price increases impact customer operations and maintenance (O&M) costs. The challenge will be to successfully mitigate the impact of price volatility through successful renegotiation (by WSI) of BCBC's current fixed price natural gas contracts (roughly 50% of total consumption) which will expire in late 2004/05.

Customer Needs/Expectations

Government restructuring which resulted from the 2001/02 Core Services Review initiative, and continuing budgetary constraints are impacting our customers in many ways:

- service delivery and governance structures are changing;
- delivering program priorities and reducing costs are the focus, which demands an increased reliance on the private sector for delivery of non-core functions;
- accommodation space requirements are significantly reduced;
- program delivery decision-making is shifting to the regions as a result of increased regional accountability,
- uncertainties related to program changes delay lease renewals and tenant improvement decisions; this results in compressed timelines and reduces the Corporation's flexibility in delivering lease services.

As a result of these impacts, customer requirements are increasingly complex, requiring integrated solutions with longer project cycles and increased front-end planning and consultation. At the same time, customers are looking for quick, inexpensive solutions which utilize current technology.

To address these changing needs, BCBC will need to continue to: build strategic partnerships with regional decision-makers; focus on providing strategic advisory services, and manage the provision of transactional services through private sector suppliers. Utilizing multidisciplinary teams, the Corporation will need to provide customers with innovative long-term strategic accommodation solutions that satisfy their program delivery requirements, while continuing to assist them in identifying short-term savings to address more immediate budgetary pressures. BCBC will also need to enhance its current shared services model to provide more choice to customers through service level agreements tailored to individual customer needs.

Supply Management

Continuing public sector adoption of alternative service delivery (ASD) options has been accompanied by a shift from a transaction delivery approach to a more strategic/leveraged approach to sourcing, which involves integration of supply management functions (planning, sourcing, managing the relationship and analyzing results). This has resulted in the following:

- new types of relationships beyond simple contracting (strategic alliances, agency partnerships);
- consolidation of procurement approaches (e.g. joint purchasing, outsourcing) with a reduction in the number of suppliers performing government work;
- increased need for focus on performance monitoring and analysis; and,
- using best private sector practices while continuing to honour the commitment to the principles of public sector procurement.

Related to BCBC's outsourcing of delivery of its property management services to Workplace Solutions Inc. (WSI), BCBC must effectively manage/address the following:

- achievement of targeted cost savings and service improvements;
- leveraging the WSI strategic partnership to reduce costs for BCBC's customers; and
- increasing vendor and landlord understanding of the new business relationship.

Industry Conditions

An increasing number of private firms are now providing a full suite of real estate accommodation services, mainly in urban areas (Victoria/Lower Mainland) with a focus on transactional (high return, low complexity) services. The Corporation will need to focus on the provision of advisory services, where it has a particular expertise in understanding government procedures/processes and customers' long-term strategic requirements. BCBC will increasingly rely on the private sector for the provision of transactional services.

Real Estate Market: Properties are expected to continue to sell quickly into 2005. The future sales market will be negatively impacted by increases in interest rates (expected in 2005), but is expected to continue to remain strong due to the upcoming 2010 Winter Olympics, trades shortages affecting the price of new construction, as well as the general upturn of the BC economy.

However, BCBC's most readily "marketable" owned properties have been sold and most remaining properties identified for disposal are outside core urban areas and will present a greater disposal challenge. The outlook for property sales in 2005 is optimistic; however, in 2006 and beyond sales will be a challenge.

Leasing Market: The Victoria market for commercial office space is expected to experience declining vacancy rates and modest increases in rental rates, as the private sector absorbs most of the space vacated as a result of government downsizing. BCBC will face an increasingly limited selection of office space and less flexibility in relocating customers. The Vancouver/Lower Mainland market is in full recovery with vacancy rates expected to decline, and rental rates expected to increase. The declining vacancy will make finding larger blocks of contiguous space in the central business district more difficult and relocating customers outside the downtown core may be necessary. Markets in the rest of the province, particularly in smaller communities, are depressed and vacancy rates are expected to remain high with stable or declining rental rates. Landlords expect BCBC to make timely real estate decisions; are increasingly reluctant to permit BCBC to go to month-to-month holdovers; and are being more restrictive in allowing for changes in customers/use over the lease term. Space is increasingly being provided on an "as is" basis, with landlords reluctant to provide or guarantee the cost of tenant improvements. The challenge for the Corporation is to manage the impact of supply inflexibilities and the higher costs of one-time tenant improvements, by taking a more strategic leasing approach – looking at its major blocks of leases and making strategic decisions on renewals.

Stewardship/Portfolio Management

There is a continuing pressure to dispose of real estate assets, in part due to government restructuring/downsizing and changes in long-term program requirements, and in part due to short-term budgetary pressures. As the size of BCBC's owned portfolio decreases, rental revenues and the Corporation's operating margin will continue to decline, resulting in an increased reliance on fees from advisory services. The creation of new provincial entities which own assets and have full financial accountability has resulted in customers questioning the value-added by BCBC ownership. The Corporation continues to face the challenge of ensuring that its portfolio decisions optimize the value and financial performance of the assets in the portfolio on behalf of the shareholder. These decisions will continue to be based on evaluation of financial and non-financial criteria, with a new focus on adding value through effective management of assets over the specified term of a customer's occupancy commitment. In addition, the outsourcing of property management service delivery necessitates changes in the way asset repair/replacement/upgrade projects are managed, in collaboration with WSI. Government restructuring and continued budgetary constraints have also increased the need for government and public sector bodies to assess and maximize the value of their real estate portfolios. This provides BCBC with the opportunity to provide its well-established stewardship advisory services to customers in the health and education sectors.

As the steward of the single largest portfolio of buildings in the province, BCBC's continued efficient management of energy costs and greenhouse gas emissions is critical. New/amended acts/regulations have increased compliance requirements, and BCBC will need to keep abreast of compliance changes and demonstrate due diligence. Increasing demand for green (high-performance) buildings provides an opportunity for BCBC to provide energy management and other advisory services to both ministry and non-ministry customers.

Human Resources

BCBC's most vital resource is its people. The greatest challenges are to continue to maximize employee performance and to strengthen the linkages between human resource and business strategies. The shrinking workforce and increasing mobility/choices for new workforce entrants create added challenges to retain and attract quality staff, particularly given the limited attraction of a public sector career and Victoria's relatively high cost of living. The combined effects of workforce demographics and organizational transformation have resulted in a significant staff reduction, the accompanying loss of knowledge and experience, and consequent impacts on remaining staff workloads.

The shift to a more customer-focused, streamlined, strategic professional service organization has increased the need for proficiency in new competencies. Central to the new Human Resources strategy for addressing these challenges is the implementation of a performance-based compensation system, competency-based training, recruitment, promotion and professional /leadership development, as well as the continuation of an effective working relationship with our union.

Business Processes & Information Systems

To successfully complete corporate restructuring and manage the outsourced property management service contract, new business processes and streamlining of existing business processes are required to provide more efficient service delivery, to realize cost efficiencies and to improve flexibility.

To support and enable the redesigned business processes, off-the-shelf software packages for standard business functions will replace existing in-house developed systems and there will be increased utilization of self-service applications. These changes will contribute to improved service delivery. The implementation of electronic data and document management systems will result in further staff efficiencies and improved information management. Staff, suppliers and customers will all need to adapt to a higher use of desktop software, electronic methods and self-serve systems. In addition, BCBC will need to continue to focus on information technology (IT) security and business continuity planning.

Corporate Goals, Objectives and Strategies 2005-2008

For each of its four goals, BCBC has identified objectives to be achieved over the next three years. The goals state the overall intended results of the Service Plan, while the objectives translate these goals into more specific desired outputs and outcomes. The strategies describe the key activities and initiatives that will be implemented in order to achieve the objectives. It is important to note that there is not necessarily a one-to-one relationship between objectives and strategies (e.g. a strategy can contribute to the achievement of more than one objective, and multiple strategies can lead to the achievement of a single objective).

Business plans are developed annually. These annual plans include more detailed tactics for each strategy, and assignment of responsibilities and accountabilities for their delivery. Each quarter, progress against the delivery of tactics and performance measurement targets is monitored, and year-end results are summarized in the Annual Service Plan Report.

Goal 1 Customer Success

Provide best value workplace solutions and efficient delivery of strategic real estate and accommodation services to support customers in achieving their program objectives.

Objectives

1.1. Increase customer satisfaction.

1.2. Increase services to health, education and other provincial government sectors for their real property and accommodation infrastructure requirements.

Strategies

1. Continue to meet expectations outlined in all Operating Service Level Agreements (OSLAs) and develop and implement new Master Service Level Agreements (MSLAs) with Ministry customers.
2. In partnership with the private sector, effectively deliver the full suite of services identified in the Service Catalogue and leverage BCBC's strategic advisory services to assist the health and education sectors.
3. Manage and monitor the performance of WSI, the property management outsource provider, to ensure that customers are satisfied and expand this service into the health and education sectors to improve cost effectiveness for all customers.
4. Implement the new Customer Research framework to more effectively address customer feedback.

Goal 2 Increase Value to the Shareholder

As a shared services provider, improve the efficiency and effectiveness of the public sector through cost-effective provision of innovative stewardship, advice and management of real property and accommodation infrastructure services.

Objectives

2.1 Achieve targeted financial results.

2.2 Provide effective stewardship of BCBC's portfolio.

2.3 Embrace shareholder's direction emanating from the 2005 Core Services Review.

2.4 Support government's Climate Change and Energy Management Plans.

Strategies

1. Implement the 2005 Core Services Review recommendations.
2. Communicate clearly and in a timely way the value of BCBC's shared services and stewardship functions and progress made in meeting Core Review deliverables to the shareholder, our customers and our employees.

3. Continue to implement best practice portfolio/asset management plans within the context of the corporate Ownership of Real Property Assets policy.
4. Execute the updated multi-year Disposition Plan.
5. As requested by government, provide advice and support (in assessment, management and disposal of real estate) to enhance the efficient and effective stewardship of the broader real property system of the province.
6. Integrate High Performance/Green Buildings practices into our service offerings.
7. Manage and monitor the Environmental Stewardship Plan. In partnership with WSI, the property management outsource provider.

Goal 3 Organizational Effectiveness

Continue to implement best-practice customer service processes and increase the robustness of supply management through increased partnering with the private sector.

Objectives

3.1 Partner with and optimize use of the private sector.

3.2 Demonstrate effectiveness of supply management.

3.3 Increase effectiveness and efficiency of the core business process to better meet customer needs.

Strategies

1. Manage year 2-4 of the WSI outsourcing contract to successfully meet the key performance indicators (KPIs).
2. Review and improve the core business process, systems and practices and explore further opportunities for better resource utilization and alternative service delivery to enhance our corporate performance and increase customer satisfaction.
3. Utilize the new financial model to support decision making by business units.
4. Implement Enterprise Risk Management over the next three years.

Goal 4 Enhanced Service Culture

Build a performance-based and team-oriented customer-centric culture that focuses on continuous improvement in flexibility, productivity and knowledge management.

Objectives

4.1 Strive to ensure that the Corporation has an appropriately skilled and diverse workforce to achieve its business priorities.

4.2 Achieve 100% employee participation in the performance and compensation management system.

4.3 Increase employee satisfaction.

Strategies

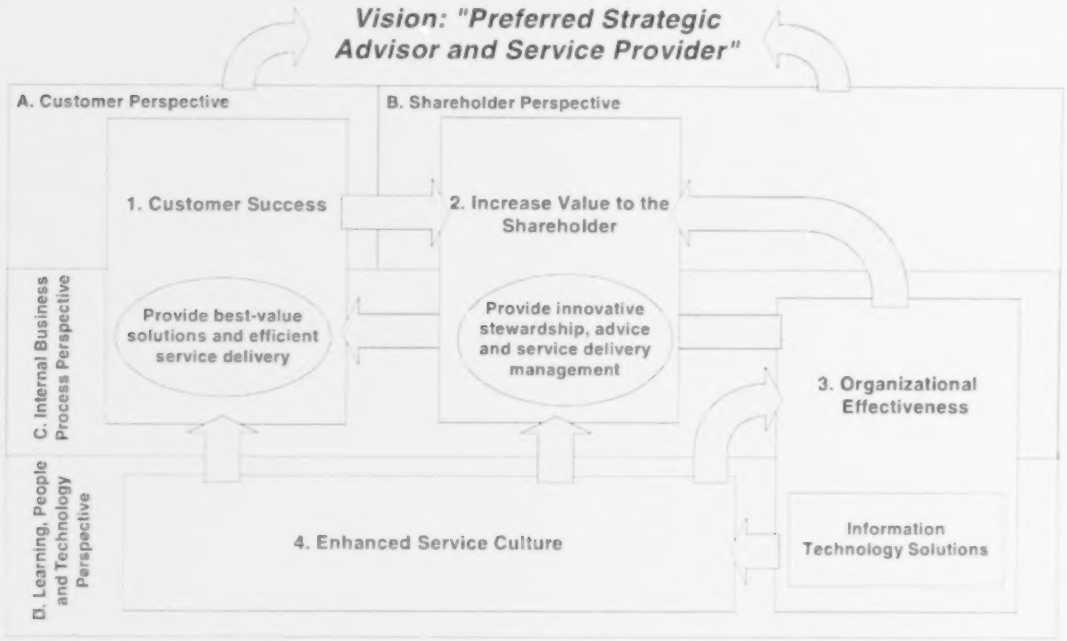
1. Continue to implement human resource management strategies that build a high performing customer service organization that exhibits the attributes of its desired culture.
2. Transition accountability to line management for the application of human resource policy and practices.
3. Effectively and transparently manage the process of measuring employee satisfaction, communicating results, acknowledging strengths and addressing weaknesses.

Strategy Map

Adapted from the Balanced Scorecard approach[2], BCBC's Service Plan includes goals, objectives and supporting strategies, which relate to the four perspectives: A) Customer; B) Shareholder; C) Internal processes; and D) Learning, people and technology. The strategy map below is a visual representation of the cause-and-effect logic at the goal level.

The foundation of the Corporation's Plan is the "learning, people and technology" perspective (which includes objectives and supporting strategies from both Goals 3 and 4). In other words, the Corporation must have an Enhanced Service Culture (Goal 4), with the required information technology solutions in place to be successful. Moving upwards in the diagram, the "internal business process" perspective includes objectives and supporting strategies relating to building Organizational Effectiveness (Goal 3), as well as selected service delivery and management related strategies (related to Goals 1 and 2). Successful execution of these Plan components is essential to provide the necessary tools and capacity to support the achievement of "customer" and "shareholder" goals and objectives. These perspectives, represented in the top level of the strategy map, refer to how the Corporation is viewed externally by its customers and shareholder. Achievement of objectives relating to Customer Success (Goal 1) and Increase Value to the Shareholder (Goal 2) will ultimately lead to the Corporation reaching its long-term Vision to be vital to its customers' success and to its shareholder by being their "preferred strategic advisor and service provider" of real estate and accommodation infrastructure solutions.

This strategy map was used to develop the Corporation's performance measures (presented in a later section of the Plan), to ensure that the measures were directly linked to the Corporation's strategy, and appropriately "balanced" among the four perspectives of the Balanced Scorecard.


Vision: "Preferred Strategic Advisor and Service Provider"
A. Customer Perspective
B. Shareholder Perspective
1. Customer Success
2. Increase Value to the Shareholder
C. Internal Business Process Perspective
Provide best-value solutions and efficient service delivery
Provide innovative stewardship, advice and service delivery management
3. Organizational Effectiveness
D. Learning, People and Technology Perspective
4. Enhanced Service Culture
Information Technology Solutions

[2] Kaplan, Robert S. and Norton, David P. (2001). ***The Strategy Focused Organization***. Boston: Harvard Business School Press.

Performance Measures

This section identifies performance measures for each of the Corporation's objectives. Three-year targets have been established for all measures, except for the measure relating the 2005 Core Services Review, which is presently underway.

The Corporation is committed to benchmarking these performance measures against industry standards, and/or ensuring that comparisons against past performance are made wherever possible. Instances where benchmark comparisons will be made are noted in the descriptions that follow this section.

Note: T = 2004/05 target; F = 2004/05 forecast (where available)

Objectives	Measures	2003/04 Actual	2004/05 (T/F)	2005/06 Target	2006/07 Target	2007/08 Target
1. Customer Success						
1.1 Increase customer satisfaction	• Customer satisfaction rating (Overall & Satisfaction Index)*	67 (Overall) 63 (CSI)	**T:** n/a (Overall) **T:** 65 (CSI)	72 (Overall) 66 (CSI)	74 (Overall) 68 (CSI)	75 (Overall) 70 (CSI)
1.2 Increase services to health, education and other provincial government sectors	• Net fee revenue from services provided	$3.2M	**F:** $3.0M	$3.8M	$4.2M	$4.5M
2. Increase Value to the Shareholder						
2.1 Achieve targeted financial results	• Net income	$46.5M	**F:** $49.0M	$53.0M	$45.3M	$42.1M
	• Net debt	$328.0M	**F:** $255.1M	$199.5M	$180.7M	$163.5M
2.2 Provide effective stewardship of BCBC's portfolio	• Office vacancy rate	9.6%	**F:** < 6.9%	**Lower Mainland:** <½ market **Victoria:** 1%< market	**Lower Mainland:** <½ market **Victoria:** 1%< market	**Lower Mainland:** <½ market **Victoria:** 1%< market
	• Total proceeds on properties sold	$71.9M	**F:** $61.6M	$64.6M	$30.0M	$15.6M
2.3 Embrace shareholder's direction from 2005 Core Services Review	• Timely implementation of Core Services Review recommendations	n/a	n/a	Tbd	Tbd	Tbd
2.4 Support government's climate change & energy management plans	• Energy efficiency (mega joules/m^2; % improvement over 2000 base)	1199 MJ/m^2 (6.5%↑ relative to 2000 base)	**T:** 1180 MJ/m^2 (8.0%↑ relative to 2000 base)	1161 MJ/m^2 (9.5%↑ relative to 2000 base)	1142 MJ/m^2 (11%↑ relative to 2000 base)	1129 MJ/m^2 (12%↑ relative to 2000 bas

* Based on updated Customer Survey instrument.

Objectives	Measures	2003/04 Actual	2004/05	2005/06 Target	2006/07 Target	2007/08 Target
3. Organizational Effectiveness						
3.1 Partner with and optimize use of the private sector	• % expenditures with private sector	85.9%	**F:** 92%	92%	92%	92%
3.2 Demonstrate effectiveness of supply management	• WSI performance scorecard rating on KPIs	n/a	**T:** 85%	85%	85%	85%
	• Operations and maintenance costs (adjusted)	$87.5M	**T:** $84M	3% < 04/05	2% < 05/06	2% < 06/07
	• Office lease costs (per m^2)	5.2% < market	**T:** < market	< market	< market	< market
3.4 Increase effectiveness and efficiency of core business process	• Business process improvement projects implemented on schedule.	n/a	**T:** 100%	100%	100%	New measure
	• Corporate G & A costs (as % of revenues)	3.7%	**F:** 3.9%	3.9%	3.5%	3.5%
4. Enhanced Service Culture						
4.1 Strive to ensure BCBC has an appropriately skilled and diverse workforce	• % of targeted employees undertaking competency-based training	n/a	**T:** 50%	80%	90%	90%
	• % employees indicating their understanding of corporate direction	56%	**T:** 60%	65%	70%	75%
4.2 Achieve 100% employee part. in the performance and compensation management system	• Participation rate in performance and compensation management system	n/a	**F:** 100%	100%	100%	100%
4.3 Increase employee satisfaction	• % of employees indicating "satisfied" or "very satisfied" on employee survey	39%	**T:** 53%	60%	65%	67%
	• Rate of absenteeism	2.8%	**F:** 3.8%	3.3% or less	3.2% Or less	3.1% or less

Performance Measure Descriptions

A description of each performance measure, including its purpose, is provided in this section. Instances where benchmark comparisons will be made are also noted.

Customer satisfaction rating – The customer satisfaction rating is derived from the data obtained from an annual customer survey of key customer contacts, carried out by an independent consulting company. The measure tracks results from both an overall satisfaction question and an average Customer Satisfaction Index (CSI) rating calculated from a range of questions in the survey. Results will be compared against the Citizens First benchmark (sponsored by the Institute of Public Administration of Canada and the Institute for Citizen-Centered Service Delivery). Customer satisfaction provides a measure of service quality and of the extent to which services are being delivered in a manner, which meets customers' needs.

Net fee revenue from services – This measure is calculated as total fee revenues from professional and management services (less pass-through costs), provided to non-ministry customers, including health care organizations, schools/universities/colleges and provincial Crown corporations. Growth in fee revenue from services provided is considered an indicator of success in increasing the value BCBC provides to the broader provincial public sector in accommodation and real estate infrastructure services.

Net income – Net income is a common financial measure of an organization's performance in managing corporate profitability/ "bottom line." It provides an indicator of the Corporation's success in increasing shareholder value. It is calculated as revenues (including gains on sale of properties) less expenditures.

Net debt – This measure tracks the Corporation's success in reducing outstanding debt, a component of overall provincial taxpayer-supported debt. Net debt is calculated as total outstanding short-term and long-term borrowings net of sinking fund investments at fiscal year-end.

Office vacancy rate – This measures the gross office vacancy rate. It is calculated as the ratio of vacant market-comparable office space to total rentable market-comparable office space in the Corporation's portfolio (owned and leased), expressed as a percentage. Results are compared against industry benchmarks for the key office space markets of the Lower Mainland and Victoria (from available industry statistics, as well as independent benchmarking studies commissioned by BCBC). The measure provides an indicator of BCBC's performance in managing its office portfolio.

Total proceeds on properties sold – This measure provides an indication of the volume/value of property asset dispositions. It provides an indicator of the Corporation's performance in managing its owned portfolio and its success in increasing shareholder value. It comprises the total gross cash proceeds from properties sold during the fiscal year.

Timely implementation of Core Services Review recommendations – The Core Services Review is scheduled to take place at the end of fiscal 2004/05. The specific implementation requirements will not be known until after the Review has been completed.

Energy efficiency – The measure reflects the percentage reduction since the year 2000 in energy consumption per square metre for BCBC's significant buildings, providing an indication of the Corporation's relative energy efficiency, and thereby the effectiveness of its energy management program. Results are benchmarked internally against over 20 years of data (BCBC's Energy Management Program has been in place since 1978).

Percentage of corporate expenditures with the private sector – This measure tracks the Corporation's shift to greater reliance on the provision of services by the private sector in service delivery. It tracks the ratio of dollars expended on goods and services purchased from private sector service suppliers, contractors and manufacturers, relative to total expenditures (including internal staffing costs), expressed as a percentage.

WSI performance scorecard rating on KPIs – This measure provides an indicator of quality of performance of the property management services outsource provider (BLJC WSI). It tracks results achieved by WSI against the jointly agreed targets established for the specific Key Performance Indicators (KPIs) included in the Property Management Performance Measurement Framework. It is the overall scorecard total rating calculated as the sum of all individual KPI ratings, using their assigned weight and points, expressed as a percentage of the total available points.

Operations and maintenance costs (adjusted) – This measure is one of WSI's KPIs. It includes all costs associated with operating and maintaining a building, excluding minor client requests, trade equipment, structural landlord maintenance, taxes and insurance. Adjustments are made each year to ensure year-over-year comparability as to the size of portfolio and nature of services being provided (e.g. adjustments for documented space and service level changes). It provides an indication of cost savings/efficiencies achieved in the provision of O&M services.

Office lease costs per square metre – BCBC's combined (net effective) office lease rate is compared to market rates for comparable office space. The analysis of BCBC and market lease rates is drawn from an independent benchmarking study, which compares office leases negotiated in selected centres (Vancouver, Victoria and the Interior). It provides an indication of the Corporation's effectiveness in negotiating office leases on behalf of its customers.

Business process improvement projects implemented on schedule – This measure tracks the percentage of identified business process and associated systems project work which are completed on schedule, as per the approved business process improvement plan and the Information Systems plan. This measure provides an indication of progress being made in streamlining and increasing the effectiveness and efficiency of the core business process.

Corporate general and administrative (G&A) costs – Corporate G&A costs include functional activities within the Corporation that are not directly recovered from customers (the President's Group, which includes Human Resources, Corporate Communications and Internal Audit, and the Corporate Services Group). The measure is calculated as the ratio of corporate G&A costs to total revenues, expressed as a percentage, and is benchmarked internally against past performance. It provides an indicator of BCBC's ability to manage its overhead costs. Results will be benchmarked against data for comparable organizations (from the Hackett Group).

Percentage of targeted employees undertaking competency-based training – Critical competency requirements under the new corporate structure are being identified, for example skills in customer service, supply chain management, consulting & relationship management. This measure tracks the percentage of targeted employees who have undertaken training during the year in key/priority competencies. It provides an indicator of the Corporation's success in developing the new required skills/competencies needed for successful transition.

Percentage of employees indicating their understanding of the corporate direction – Successful implementation of the Corporation's strategy involves ensuring that everyone in the Corporation understands the corporate goals and objectives. This measure tracks the percentage of employees with a positive response to question(s) on the employee survey designed to identify the extent to which employees understand the corporate direction.

Participation rate in performance and compensation management system – This measure tracks the percentage of employees who have prepared and submitted Individual Performance Plans (IPPs), as required under the new Performance and Compensation Management System (PCMS). This system is the key for ensuring that individuals have identified and are working to achieve individual performance goals consistent with corporate goals; therefore, the Corporation is targeting full participation.

Percentage of employees indicating "satisfied" or "very satisfied" on employee survey – A key question on the employee survey asks employees to rate their level of satisfaction with the Corporation. This measure tracks the percentage of respondents who selected "satisfied" or "very satisfied" to this question. Employee satisfaction is considered a good indicator of the well

being of the corporate working environment. The Corporation will continue to benchmark its results against comparable organizations.

Rate of absenteeism – This measure monitors the level of paid sick leave in the BCBC workforce. The rate is total paid sick hours expressed as a percentage of total work hours for the reporting period. Absenteeism provides an indication of workforce wellness and morale. Results are benchmarked both internally (against past performance) and externally against the BC government rate (obtained from PSEC). Efforts are also being made to identify sources of comparable industry benchmark data (e.g. Statistics Canada).

Key Changes from the 2004-2007 Service Plan

Each year, the three year Service Plan is extended by one year and is reviewed and revised to align with the current environment. The 2005-2008 Service Plan document has been refreshed throughout; however, the key changes made this year include:

- The Organizational Overview section has been modified to include information on the location of BCBC and WSI (its property management outsource provider) operations and to provide more detailed information on BCBC's customers.
- The Planning Context section has been updated to reflect current issues and risks identified as part of the annual environmental scan. In particular, a description of issues and risks relating to supply management has been added.
- The goal descriptions have been updated, and Goal 3: Organizational Effectiveness (previously Organizational Transformation), has been modified to reflect the substantial completion of corporate restructuring and of the shift from a service delivery focus to a strategic advisory role.
- Objectives have been reduced, modified and broadened to reflect changes in the Corporation since the last Plan. Under Goal 1, the objective relating to provision of innovative and cost effective accommodation solutions has been incorporated into strategies relating to meeting customer expectations and effective delivery of services. Under Goal 2, a broader environmental objective replaces the previous objective, which focused on environmental risks/liabilities. A new objective and measure has been added in anticipation of direction emanating from the 2004/05 Core Services Review. Under Goal 3, the previous objective relating to the property management outsource provider has been replaced by a broader supply management objective.
- Strategies have been deleted to reflect the completion of initiatives and some have been modified /added to support the revised goals and objectives. In particular,
  - organizational, communications and human resources strategies relating to implementing the corporate transformation have been replaced by strategies designed to support the strengthened shared services model; and
  - the strategy, "to successfully implement property management outsourcing", has been replaced with a strategy focused on managing the WSI outsourcing contract.
  - new strategies have been added relating to the implementation of 2004/05 Core Services Review recommendations and Enterprise Risk Management.
- The following performance measures have been removed from the plan, reflecting the substantial completion of time-bound initiatives: e.g. percentage of customers with operational service level agreements; savings realized from government restructuring; and, status of risk management activity (remediation of contaminated sites). In addition, performance measures and targets have been modified to reflect new data and/or to ensure that we are better able to make decisions based on the measurement information.

Alignment with Government's Strategic Plan

The Corporation's values are consistent with the Government's expressed Core Values of Integrity, Fiscal Responsibility, Accountability, Respect and Choice set out in the Government's 2004/05 – 2006/07 Strategic Plan. More specifically,

- Fiscal responsibility is demonstrated through increased efficiency as a result of decreasing corporate debt and administrative overhead costs, resulting in decreasing costs to customers;
- BCBC and customer accountability is promoted through a market-based pricing model, which provides incentives for efficient, effective use of assets and implementation of optimal best value solutions.
- Strengthening of BCBC's shared services model results in increased corporate flexibility, choice and satisfaction for customers.

The directives in the Shareholder's Letter of Expectations explicitly direct how the Corporation is to support the government in achieving its goals and objectives. BCBC's 2004/05 Core Services Review will include a review of the current alignment of BCBC with government goals and objectives and identification of areas where improvements are possible.

Specifically, the goals, objectives and strategies in BCBC's 2005–2008 Service Plan align with and contribute to successful implementation of the three goals of the Government's Strategic Plan in the following ways:

Goal 1. A Strong and Vibrant Provincial Economy

BCBC supports this goal and the government objective of a prosperous economy by working in partnership with the private sector in the delivery of its real estate and accommodation services. The Corporation has objectives and strategies relating to optimizing the use of the private sector and prudent management of its supplier relationships, in particular the relationship with and performance of the property management outsource provider, WSI.

Furthermore, BCBC's Service Plan goals and objectives are aligned with the government objective relating to an affordable and fiscally responsible government. The Service Plan has specific objectives relating to achieving BCBC's targeted financial results and optimizing value on properties sold, as well as objectives relating to supporting government ministries in meeting their program objectives (Goal 1: Customer Success). The Service Plan also includes objectives focused on improving the efficiency and effectiveness of service delivery to its customers, through effective supply management and an effective and efficient core business process.

Goal 2. A Supportive Social Fabric

The Corporation's plan aligns indirectly with this government goal through its "Customer Success" goal. Specifically, the Corporation continues to focus on providing timely and cost-effective accommodation infrastructure solutions to ministry customers to enable them to deliver on their service plan objectives and strategies. BCBC also has an objective and related strategies to increase support to health, education and other provincial government sectors for their real property and accommodation infrastructure requirements.

Goal 3. Safe, Healthy Communities and a Sustainable Environment

As with Goal 2, the BCBC Service Plan aligns indirectly with this government goal, through its "Customer Success" goal, as well as its "Increase Value to the Shareholder" goal. More specifically the corporate objective to support government's Climate Change and Energy Management Plans aligns directly with the government objective of a healthy physical environment. BCBC's Environmental Stewardship Plan supports government strategies relating to drinking water protection, contaminated sites administration, greenhouse gases and climate change. In particular, BCBC plays a key role in the delivery of action items relating to provincially funded buildings in both the BC Climate Change Plan and the BC Energy Plan.

Summary Financial Outlook

($000)	2003/04 Actual	2004/05 (forecast)	2005/06 (budget)	2006/07 (forecast)	2007/08 (forecast)
REVENUES					
Ministry	348,958	285,554	280,190	283,440	283,225
Other	115,599	110,171	80,635	81,829	81,820
	464,557	395,725	360,825	365,269	365,045
DIRECT EXPENSES					
Portfolio Maintenance & Management	11,927	11,805	12,105	11,567	11,439
Amortization	33,658	31,980	30,755	31,798	31,453
Taxes & Grants	18,890	19,000	19,100	19,600	19,300
Operations & Energy	94,596	89,852	76,610	74,445	73,003
Lease Costs	141,120	136,531	138,347	139,287	142,105
Client Projects/Fees expense	82,789	37,671	22,238	26,228	25,989
Customer Services	4,940	4,745	4,348	4,097	3,738
General Admin	16,959	15,339	14,084	12,876	12,640
	404,879	346,923	317,587	319,898	319,667
INCOME FROM OPERATIONS	59,678	48,802	43,238	45,371	45,378
Interest	29,268	23,296	19,013	17,173	15,108
INCOME BEFORE GAINS/OTHER ITEMS	30,410	25,506	24,225	28,198	30,270
Gains on sale	42,605	27,654	32,738	18,115	12,833
Restructuring/Other Items	(26,502)	(4,188)	(4,000)	(1,000)	(1,000)
NET INCOME	**46,513**	**48,972**	**52,963**	**45,313**	**42,103**
Capital Expenditures	**19,050**	**27,206**	**63,405**	**42,400**	**17,320**

Please refer to the table of assumptions and risks/sensitivities associated with these financial projections.

Key assumptions and risks/sensitivities associated with the financial projections are:

Key Assumptions	Forecast Risks and Sensitivities
➢ Recurring revenue projections reflect current customer budget and demand estimates. These estimates include the most up to date ministry accommodation plans.	➢ A 5% variation in demand for recurring space impacts revenue by approximately $17M. Related cost impacts would vary depending upon space and service type.
➢ Client project and one-time fee revenue is assumed at $24--29M per annum.	➢ One-time revenue is subject to demand levels. A variation in one-time project and fee revenue impacts net income by approximately 5-10% of project costs depending upon service type.
➢ Projections include property management cost savings of 3%, 2% and 2% in each fiscal year as compared to prior year baseline. These savings will be passed back to customers.	➢ Direct cost savings achieved by the service provider remain subject to successful implementation.
➢ Gains on sale of properties are based on anticipated sale dates and estimated proceeds.	➢ The value and timing of property disposals is largely dependent upon prevailing market conditions at the time of disposal.
➢ BCBC will continue to mitigate and manage vacant space in the owned portfolio through disposal, backfill and alternative use strategies. No write-downs of owned market property assets have been assumed within budget projections	➢ Prevailing market conditions will heavily influence BCBC's ability to minimize vacant space costs in the owned portfolio and avoid potential asset write-downs.
➢ Future interest rates are assumed as follows: 2005/06 2006/07 2007/08 Short-Term 2.7% 3.4% 4.1% Long-Term 4.7% 5.0% 5.5%	➢ As the Corporation has no short term debt, 1% movement in interest rates impacts expense by up to $1M inversely due to the impact on investment earnings.
➢ The current dividend policy (40% of net income) remains in place over the planning period.	➢ Any change to this policy will impact net interest expense through increasing or decreasing cash/investments.
➢ Taxes/Grants expense assumes a continuation of the current grants-in-lieu framework.	➢ A move to full taxes has a potential maximum negative impact of approximately $12M per annum depending on timing of implementation.
➢ Energy costs are subject to price and consumption (weather) fluctuations.	➢ A 10% change in price/usage impacts expense by approximately $2M per annum.
➢ Continued ownership of the RBCM property is assumed within projections.	➢ A transfer of land and improvements would result in a one-time gain of up to $22M, and a reduction in ongoing net income of $0.3M.

Accommodation Infrastructure

Accommodation infrastructure includes the buildings, facilities and properties that make up workplaces, as well as workplace tools, such as furniture and telecommunications.

Alternative Service Delivery (ASD)

Alternative service delivery refers to the range of methods by which BCBC may manage service delivery to its customers. The term is usually used when considering the strategies that can be used to change either the way a service is being delivered or the way service demand is managed. Potential alternate service delivery methods/strategies include a continuum of methods including, but not limited to, shared services, co-sourcing, public-private partnerships (P3s), contracting out, outsourcing, non-asset related strategies (e.g., eliminating or reducing demand for a particular service) or existing asset strategies (e.g., using existing assets more intensively rather than expanding capacity).

Enterprise Risk Management

Enterprise risk management (ERM) is a structured and disciplined approach to managing risk in the achievement of organizational goals. ERM integrates the various risk management activities of the enterprise into a coherent framework, applied across the enterprise, at every level and unit, and includes taking an entity-wide view of all the risks affecting the enterprise (financial, strategic, operational and other risks). Risk management is a systematic approach to setting the best course of action under uncertainty by identifying, analyzing, evaluating, treating, monitoring and communicating risks.

Property Management Outsourcing

Outsourcing is a form of alternative service delivery. Property management outsourcing refers to the corporate initiative, initiated in March 2003, to enter into a contract with a private sector partner to deliver to our customers, on our behalf, a range of property management related services, including operations and maintenance services in all facilities, project management services on projects up to $500,000, and some pollution prevention services. A contract has been successfully negotiated with Brookfield LePage Johnson Controls (BLJC) to be BCBC's outsource provider of property management services, through a newly established company, BLJC Workplace Solutions Inc.

Service Level Agreement (SLA)

SLAs are agreements between BCBC and its customers (or BCBC and its partners) that describe the type, level and standard of service to be provided and the corresponding price. SLAs typically identify performance measures that will be used to evaluate BCBC's services and to support a continuous improvement philosophy which is reflected in customer satisfaction and, ultimately, in customer success.

Shared Services

Shared services are the sharing and leveraging of resources, people and information to reduce costs and improve service quality. It involves bringing together functions that are frequently duplicated across divisions, subsidiaries or operating units and offering these services more efficiently and at a lower cost, through a shared services centre. BCBC is the shared services provider of real estate and accommodation infrastructure services for provincial government ministries.

Supply Management

Supply management is the process by which BCBC plans, engages and manages internal or external resources (suppliers) to deliver solutions/services to its customers.

Stewardship

The term "stewardship" encompasses the preservation and enhancement of the assets and resources that have been entrusted to us.